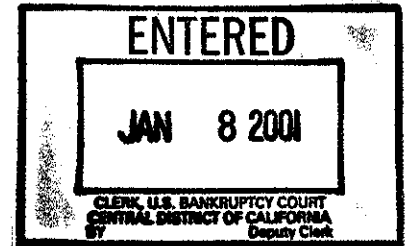
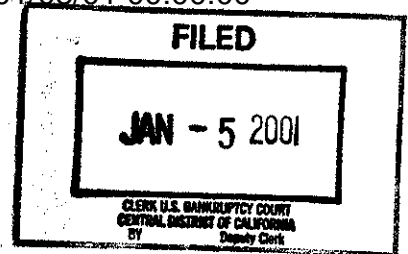


ORIGINAL



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9 Attorneys for Debtors and
 10 Debtors-in-Possession

11 UNITED STATES BANKRUPTCY COURT
 12 CENTRAL DISTRICT OF CALIFORNIA
 13 SANTA ANA DIVISION

14 In re
 15 FIRST ALLIANCE MORTGAGE COMPANY,
 16 a California corporation, et al.,

17 Debtor.

18 ☒ Affects All Debtors.

19 FIRST ALLIANCE MORTGAGE COMPANY,
 20 a California corporation
 21 Case No. SA 00-12370 LR

22 ☐ Affected by this Pleading

23 FIRST ALLIANCE CORPORATION,
 24 a Delaware corporation
 25 Case No. SA 00-12371 LR

26 ☐ Affected by this Pleading

27 FIRST ALLIANCE MORTGAGE COMPANY,
 28 a Minnesota corporation
 Case No. SA 00-12372 LR

☐ Affected by this Pleading

1269
 29 FIRST ALLIANCE PORTFOLIO SERVICES,
 30 INC., a Nevada corporation
 31 Case No. SA 00-12373 LR

☐ Affected by this Pleading

Case No. SA 00-12370 LR

Chapter 11 Case

(Jointly Administered with
 Case No. SA 00-12371 LR;
 Case No. SA 00-12372 LR; and
 Case No. SA 00-12373 LR)

ORDER:

**(1) AUTHORIZING EMPLOYMENT
 OF CROSSROADS, LLC AS
 LITIGATION CONSULTANT; AND
 (2) ESTABLISHING MONTHLY
 PAYMENT PROCEDURE**

Hearing:

DATE: December 12, 2000

TIME: 2:00 p.m.

CTRM: 5D

Case No. SA 00-12371 LR

**ORDER AUTHORIZING EMPLOYMENT OF
 CROSSROADS, LLC AS LITIGATION CONSULTANT,
 ETC.**

1 The Application for Authority to Employ Crossroads, LLC as Litigation Consultant and
2 to Establish Monthly Payment Procedure ("Application"), filed by First Alliance Mortgage Co., a
3 California corporation, First Alliance Corporation, a Delaware corporation, First Alliance
4 Mortgage Company, a Minnesota corporation, and First Alliance Portfolio Services, a Nevada
5 corporation, the debtors and debtors-in-possession in these jointly administered chapter 11 cases
6 (collectively, the "Debtors"), came on for hearing on December 12, 2000, at 2:00 p.m., before the
7 Honorable Lynne Riddle, United States Bankruptcy Judge, in Courtroom 5D of the United States
8 Bankruptcy Court, located at 411 West Fourth Street, Santa Ana, California.

9 The Debtors appeared by and through their counsel of record, William N. Lobel and
10 Jeffrey Reisner of Irell & Manella LLP. Joel Samuels of Sidley & Austin appeared on behalf of
11 Crossroads, LLC ("Crossroads"). Gary Caris of Frandzel, Robins, Bloom & Csato, L.C. appeared
12 on behalf of the Borrowers' Committee. All other appearances with respect to this matter were
13 noted on the Court's record.

14 The Court having read and considered the Application, the supporting declaration of
15 Dennis I. Simon attached thereto, the opposition filed by the Borrowers' Committee, and having
16 considered the arguments of counsel on the record of the hearing and the record in this case, and
17 the Court having found that (a) notice of the Application was proper; (b) Crossroads is not a
18 professional person within the meaning of 11 U.S.C. § 327(a), and is disinterested within the
19 meaning of 11 U.S.C. § 101(14) of the Bankruptcy Code; and (c) the Court having made such
20 other findings of fact and conclusions of law as set forth on the record of the hearing in accordance
21 with Federal Rule of Bankruptcy Procedure 7052; and for good cause shown,


22 **IT IS HEREBY ORDERED** that:

- 23 A. The objections of the Borrowers' Committee to the Application are overruled.
24 B. The Application is approved in its entirety, and the Debtors' chapter 11 counsel,
25 Irell & Manella LLP ("I&M"), is authorized to employ Crossroads as litigation consultant with
26 compensation in such amount as the Court may hereafter allow in accordance with law, on the
27 terms and conditions set forth in the Application.
28

1 C. I&M is authorized to employ Crossroads, effective *nunc pro tunc* as of July 5,
2 2000, pursuant to the terms and conditions established by the engagement letter agreement
3 attached as Exhibit "1" to the Simon Declaration appended to the Application, and on the terms
4 and conditions set forth in the Application.


5 D. Upon presentment of monthly invoices by Crossroads, the Debtors are authorized
6 to pay Crossroads the amount of such invoices, provided that Crossroads complies with the
7 provisions of the monthly payment procedures described in the Application.

8 DATED: Jan. 5, 2001


THE HONORABLE LYNNE RIDDLE
UNITED STATES BANKRUPTCY JUDGE

11 PRESENTED BY:

12 IRELL & MANELLA LLP

13 By: 
14 William N. Lobel
15 Jeffrey M. Reisner
16 Mike D. Neue
Attorneys for Debtors
and Debtors-in-Possession

PROOF OF SERVICE

I am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action. My business address is 840 Newport Center Drive, Suite 400, Newport Beach, California 92660-6324.

On December 21, 2000, I served the foregoing document described as **ORDER: DENYING EMPLOYMENT OF FRANDZEL ROBINS BLOOM & CSATO, LC AS SPECIAL LITIGATION COUNSEL FOR THE BORROWERS' COMMITTEE** on each interested party, as stated on the attached service list.

☒ (BY MAIL) I placed a true copy of the foregoing document in a sealed envelope addressed to each interested party, as stated on the attached service list. I placed each such envelope, with postage thereon fully prepaid, for collection and mailing at Irell & Manella LLP, Newport Beach, California. I am readily familiar with Irell & Manella LLP's practice for collection and processing of correspondence for mailing with the United States Postal Service. Under that practice, the correspondence would be deposited in the United States Postal Service on that same day in the ordinary course of business.

Executed on December 21, 2000, at Newport Beach, California.

I certify that I am employed in the office of a member of the bar of this Court at whose direction the service was made.

I declare under penalty of perjury that the foregoing is true and correct.

Leslie Wolchuck
(Type or print name)



(Signature)

1 Arthur Marquis, Esq.
2 Office of the United States
411 West Fourth Street, Suite 9041
3 Santa Ana, CA 92701-8000

Francisco Nebot
First Alliance Mortgage Company
17305 Von Karman Avenue
Irvine, CA 92614-6203

4 **Counsel to Borrowers Committee**

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5 Pachulski, Stang, Ziehl, Young & Jones
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6 Los Angeles, CA 90067

Counsel for the Unsecured Creditors Committee

David M. Stern, Esq.
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Los Angeles, CA 90067

7 **Counsel to Crossroads, LLC**

8 Joel Samuels, Esq.
Sidley & Austin
9 555 West Fifth Street
Los Angeles, CA 90013

Counsel for Borrowers Committee

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Frاندzel, Robins, Bloom & Csato, LC
6500 Wilshire Boulevard, 17th Floor
Los Angeles, CA 90048-4920

NOTICE TO USERS OF THIS FORM:

Physically attach this form as the last page of the proposed Order or Judgment.
Do not file this form as a separate document.

In re:	(SHORT TITLE)	CHAPTER 11 CASE NUMBER:
FIRST ALLIANCE MORTGAGE		SA 00-12370 LR
COMPANY, a California corporation;		(Jointly administered with cases
FIRST ALLIANCE CORPORATION,		SA 00-12371 LR, SA 00-12372 LR and
a Delaware corporation;		SA 00-12373 LR)
FIRST ALLIANCE MORTGAGE		
COMPANY, a Minnesota corporation;		
FIRST ALLIANCE PORTFOLIO		
SERVICES, INC., a Nevada		
corporation		
Debtor and Debtor in Possession		

NOTICE OF ENTRY OF JUDGMENT OR ORDER
AND CERTIFICATE OF MAILING

TO ALL PARTIES IN INTEREST ON THE ATTACHED SERVICE LIST:

You are hereby notified, pursuant to Local Bankruptcy Rule 9021-1(1)(v), that a judgment or order entitled (specify):

ORDER: (1) AUTHORIZING EMPLOYMENT OF CROSSROADS, LLC AS LITIGATION CONSULTANT; AND (2) ESTABLISHING MONTHLY PAYMENT PROCEDURE

was entered on (specify date):

JAN 8 2001

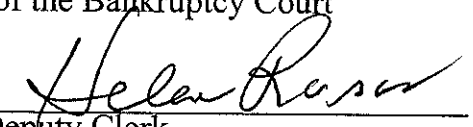
I hereby certify that I mailed a copy of this notice and a true copy of the order or judgment to the persons and entities on the attached service list on (specify date):

JAN 8 2001

Dated:

JAN 8 2001JON DAVID CERETTO
Clerk of the Bankruptcy Court

By:


Deputy Clerk

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Arthur Marquis, Esq.
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